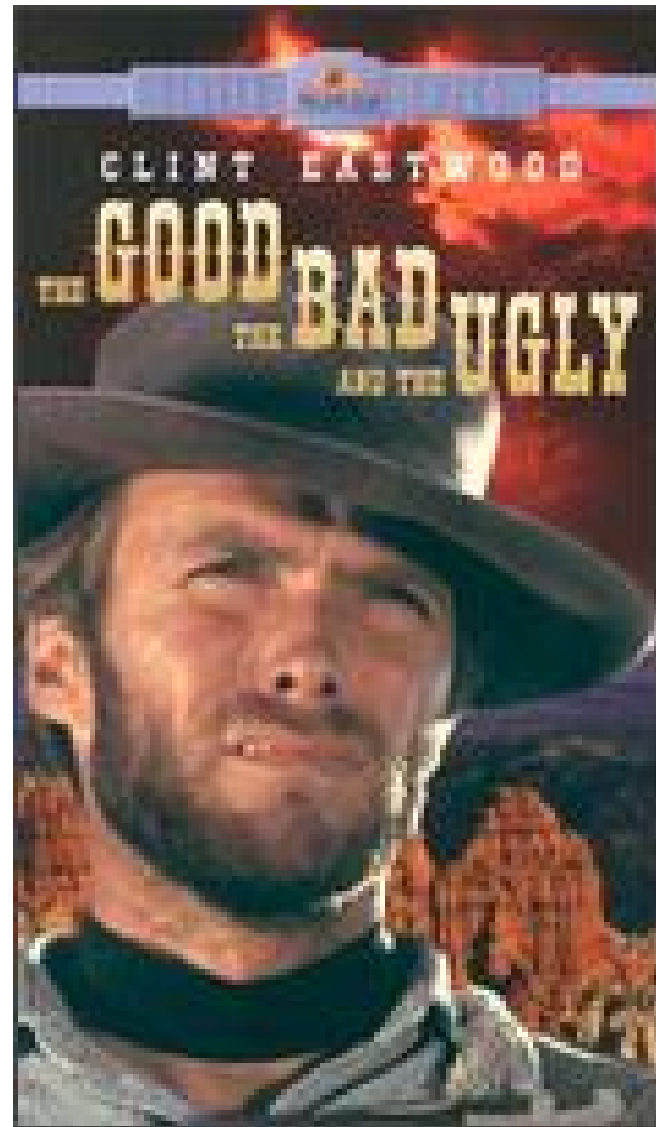




A Public Private Partnership Success

Three Rivers Solid Waste
Kimberly Clark
Siemens Building Technologies
Direct Use Landfill Gas Project

Scott Keeley
Colin Covington
Laura Dzamka





Roles

- Three Rivers Solid Waste Authority: Owner/Developer
- Kimberly Clark: Gas Purchaser
- Siemens Building Technologies: Partner/Developer/Operator



Project History and Timeline

Three Rivers Began investigation late 2005

Issued RFQ for partner 1st Quarter 2006

Selected Siemens 2nd quarter 2006

Direct Use Project with KC selected Oct 2006

Detailed Engineering and contracts completed April 07

Financial Closure Sep 07

Construction began Oct. 07

Construction to be completed April 08

Two year development and construction schedule



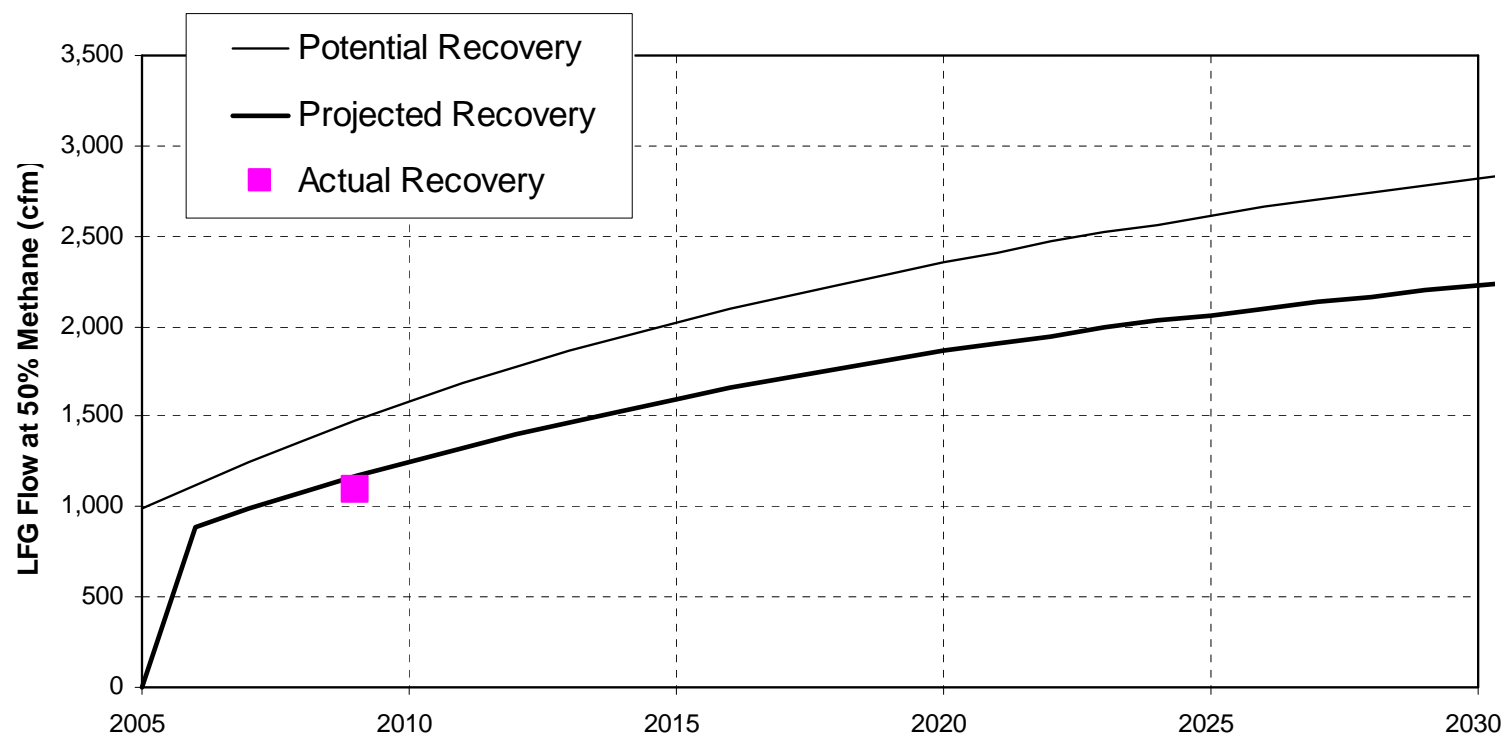
Siemens Role

- Energy Development partner: Evaluated options and helped Three Rivers select direct use model
- Turnkey project completion including long term operations and maintenance contract
- Long term performance risks

Implementation and operations responsibilities and risks shifted to Siemens

Gas Curve

LFG RECOVERY PROJECTION GRAPH
Three Rivers Landfill





Why Direct Use

- Most Efficient use of the Gas
- Kimberly Clark can use all the gas the landfill is projected to produce
- Helped a local employer reduce costs
- Created the most economic value Three Rivers

Pipeline Construction





Three Rivers Regional Landfill elected to own the project

- Allowed Three Rivers to retain control of the project decisions
- Tax exempt financing structures available to Three Rivers
- Comprehensive Performance contract with Siemens shifted project risks and responsibility to Siemens
- Three Rivers owns the project and all long term revenue
- Three Rivers retains CO2 credits
- Created the most economic value for Three Rivers with limited risk



Three Rivers Regional Landfill

- Received first waste July, 1998
- 250,000 TPY
- 30 mm cubic yards total capacity
- Active to 2075 – easily expandable
- Population base of 400,000
- Operated as independent enterprise



Tax exempt bond structure

- Effective Rate of less than 5%
- Created new hurdles
- Added 4 months to development cycle



Gas Verification Hurdle

- Funding required that gas flows needed to be verified
- Hired HDR as independent engineer but could not certify that gas flows would make project viable
- Solution: Installed system and measured flows prior to making commitment
- Final flow measurement was slightly less than projected reducing debt service coverage
- Solution: Create back end loaded debt payments during periods when flows will be greater and issued CABs for the collection system, deferring payments for 15 years.



Variability in Gas Prices Hurdle

- Contract pricing structure was indexed to natural gas. If prices fell below market projections, then project did not meet Debt Service Coverage requirements.
- Solution: Add floor price to manage this risk. Offered price cap to Kimberly Clark in return.



Legal Authority Hurdle

- TRSWA did not have legal authority to fund project anywhere other than landfill property.
- Solution: Utilize captive non profit corporation, TRA, Inc. and issue certificates of completion through this entity.



Boiler Modifications

- Kimberly Clark could not internally justify expenses for the boiler modifications, so these costs had to be financed by the developer. Because the modifications would benefit a private corporation, they could not be funded on a tax exempt basis.
- Solution: Fund these through TRA using a separate series of taxable certificates of completion.



Three Rivers Benefits

- Creates Environmental Benefits
- Creates Savings for local employer
- Creates new cash flow



Environmental Benefits

- Removing 41,000 Vehicles
- 58,000 acres of trees
- 23,000,000 gallons of gas



C02 Credit Sales

- Collection system is voluntary until June 2008
- Creates 1000 tons C02 Credits the first year
- Early installation of wells should generate another 15,000 tons per year